

Five TEK Park 9999 Hamilton Boulevard Breinigsville, Pennsylvania 18031 Tel (610) 904-4000 Fax (610) 904-4541

May 6, 2008

Mr. Ivan Huntoon Director, Central Region U. S. Department of Transportation 901 Locust Street, Suite 462 Kansas City, MO 64106-2641

Dear Mr. Huntoon:

Buckeye Partners received your "Notice of Probable Violation – Proposed Civil Penalty and Proposed Compliance Order" letter dated April 2, 2008 concerning the 2007 PHMSA inspection of Buckeye's facilities in Kansas, Missouri, Illinois, Indiana, and Ohio. The following are Buckeye's responses to each of the items listed in your letter:

1. The concrete that was discovered over Buckeye's right-of-way during this inspection was immediately removed following the inspection. The concrete was carefully bucketed up with a track excavator from the road and hauled away. Buckeye does not believe the concrete was on the right-of-way for a long period of time. Concrete removal and repouring does not happen during the winter months so Buckeye believes the concrete was dumped on its right-of-way sometime during the spring. Buckeye's pipeline in this area is **between three and four feet** deep and when the debris was removed no indentations or ground disturbance was discovered in the area of the debris that would indicate any damage to Buckeye's pipeline.

As a side note, this section of pipe is scheduled for in-line inspection this year, and Buckeye will review the records for this area very closely to verify that no damage was done to the pipe.

2. Of the 17 main line valves you listed in your letter as having missed an inspection, 11 were not missed but are now part of our scraper trap inspection since they were either head or bypass valves at a scraper trap. I have included copies of the scraper trap inspection records that cover those 11 valves (Exhibits A-1 to A-6).

The other six main line valves did miss their April 2005 inspections due to the fact that these valves were not included on the other company's main line valve inspection list that

they provided to Buckeye when Buckeye purchased the system in late 2004. During a PM review by Buckeye, these valves were discovered missing and Buckeye added them to its list for inspection. The review took some time to conduct and these missing valves were not discovered until after the April inspections had already passed.

While Buckeye understands the importance of periodic valve inspections, we feel that a fine is not appropriate, since it was Buckeye's management systems that uncovered the omission and initiated corrective action. Buckeye took the additional step of not just accepting the other companies inspection records as the only items that required inspecting under the regulations but reviewed and audited those records as part of the transition activity. When we found deficiencies in those records, we added them to Buckeye's list and started inspecting them as required under the regulations. Auditing inspection records and matching them up with what is actually in the field takes time, and we believe no company can be reasonably expected to have an audit of this type conducted and any issues found and their inspection records updated in such a short time. Buckeye feels that it should not be fined for having a working system in place that discovered and corrected the omission of the previous owner.

3. Of the seven overpressure safety devices listed in your letter as having missed an inspection, two of the devices were removed from service before the next inspection was due. They were removed from service on April 8, 2006. Enclosed are screen shots from our equipment list showing the date they were removed (Exhibits B-1 and B-2).

Buckeye has found the local Technician's paperwork concerning the other five overpressure safety devices inspections. These inspections were not missed, but looking at the records in our computer system it looked like they were completed in January, 2007 when they should have been completed in late 2006. This made it look like Buckeye missed the calendar year timeline for these inspection. Enclosed are copies of the local Technician's paperwork that shows these overpressure safety devices were inspected in 2006 and that the date in Buckeye's computer system (January 2007) was actually the date the Technician entered their completion into that system (Exhibits C-1 to C-3).

We believe this clears up any issues with the overpressure safety devices, and, as no violation did, in fact, occur, the fine for these inspections should be dropped.

4. The 2005 annual tank inspection report for the L-12 tank at Buckeye's Lima South Terminal is missing. The local Supervisor knows the tank was inspected but in 2005/2006 offices were moved around and to different buildings, and in the move the tank records were misplaced. All the other tanks' inspection reports were found and sent to your inspector; however, the 2005 annual tank inspection for L-12 was not found.

Buckeye feels that it has explained all of the items you had listed in your letter except for Item number 4, Lima Tank L-12. With the above explanations and enclosures, Buckeye feels that a more appropriate total fine from this inspection should be no more than the proposed amount for Item #4, which is \$9,000.

If you have any questions or need additional information, please feel free to contact myself or Mr. Donald Hankey at 610-904-4410 or by e-mail at dhankey@buckeye.com.

Sincerely,

Laurence M Shelton Lawrence M. Shelton

Vice President, Field Operations

LMS:jml

Enclosures

## VIA UPS OVERNIGHT

Donald E. Hankey cc:

PM History

04/22/08 16:39:25 Page - 1 of 1

Equipment	Equipmen	t Assigned	Work Order	Complete
Tag Number	Description	n WO	Description	Date
PN160AGST35A	20" REC. 8BL @ ARGO	168336	SCRAPER TRAP INSPECTION - MA	06/30/05
	Work Order Comments:	Inspected receiving BBI.		
PN160AGST35A	20" REC. BBL @ ARGO	195113	SCRAPER TRAP INSPECTION - MA	10/18/05
	Work Order Comments:	Inspected scraper traps, doors to	traps, drain lines from traps, and all	
		fittings on traps. Greased, and d	rained water from valve 20-1, 20-3, and	
		20-2.		
		Operator on duty (Don)		
		GPS: 20-1 N41.76283		
		W087.83629		
		20-3 N41.76282		
		W087.83630		
		20-2 N41.76281		
		W087.83632		
		JTW 10/18/2005		
PN160AGST35A	20" REC. BBL @ ARGO	236252	SCRAPER TRAP INSPECTION - MA	04/13/06
	Work Order Comments:	OperatorTyler		
PN160AGST35A	20" REC. BBL @ ARGO	285945	SCRAPER TRAP INSPECTION - MA	10/30/06
	Work Order Comments:	DOT, inspected scraper trap at A	Argo SDS	
PN160AGST35A	20" REC. BBL @ ARGO	330203	SCRAPER TRAP INSPECTION - MA	04/09/07
	Work Order Comments:	BARREL GOOD. GREASED AN	D INSPECTED INLET VALVE, BYPASS VALVI	E, AND OUTLET
		VALVE.		
		LINE RUNNING		
		CONTROLLER DAVE		

VALVE PN160 AGV 35 A AND
PN160 AGV 35 B

ARE NOW PART OF THIS SCRAPER TRAP INSPECTION

PM History

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Equipment	Equipmer	nt	Assigned	Work Order	Complete
Tag Number	Descriptio	n	WO	Description	Date
PN160XXST216A	LAUNCHING BBL @ PEO	TONE	168339	SCRAPER TRAP INSPECTION - MA	06/30/05
	Work Order Comments:	Inspected launchin	g BBL. SDS		
PN160XXST216A	LAUNCHING BBL @ PEO	TONE	195220	SCRAPER TRAP INSPECTION - MA	10/17/05
PN160XXST216A	LAUNCHING BBL @ PEO	TONE	236389	SCRAPER TRAP INSPECTION - MA	04/10/06
	Work Order Comments:	Inspected barrel, g	reased and ope	erated valves, 31B, #10, and #9	
		JTW			
		OperatorSteve			
PN160XXST216A	LAUNCHING BBL @ PEO	TONE	286130	SCRAPER TRAP INSPECTION - MA	10/13/06
	Work Order Comments:	DOT INSPECTION	I		
		CCSTEVE			
		JTW			
PN160XXST216A	LAUNCHING BBL @ PEO	TONE	330397	SCRAPER TRAP INSPECTION - MA	04/11/07
	Work Order Comments:	BARREL GOOD.	GREASED AND	O OPERATED OUTLET VALVE, BY-PASS VA	LVE, AND INLET
		VALVE.			
		CONTROLLER CR	!AlG		

VALVÉ PNIGOXXV216A IS NOW PART OF THIS SCRAPER TRAP INSPECTION

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1 of 1 Page -

Equipment	Equipmer	nt	Assigned	۱	Work Order	Complete
Tag Number	Description		WO		Description	Date
SI160BPST155A	LAUNCHING BBL @ SIBL	EY	168338	SCRAPER TRAP	INSPECTION - MA	06/28/05
SI160BPST155A	LAUNCHING BBL @ SIBL	EY	195219	SCRAPER TRAP	INSPECTION - MA	10/06/05
SI160BPST155A	LAUNCHING BBL @ SIBL	EY	236388	SCRAPER TRAP	INSPECTION - MA	04/05/06
	Work Order Comments:	trap norm closed co	c dave operate	d leak search		
SI160BPST155A	LAUNCHING BBL @ SIBL	EY	286129	SCRAPER TRAP	INSPECTION - MA	10/12/06
	Work Order Comments:	DOT INSPECTION				
		CCSTEVE				
		JTW				
SI160BPST155A	LAUNCHING BBL @ SIBL	EY	330396	SCRAPER TRAP	INSPECTION - MA	04/12/07
	Work Order Comments:	BARREL GOOD. (	GREASED AND	OPERATED OU	TLET VALVE, LEAK SEA	ARCH VALVE, AND KICKER
		VALVE.				
		CONTROLLER CR	AIG			

VALVES SI160BPV155A AND SI 160 BPV 155 B

ARE NOW PART OF THIS SCRAPER TRAP INSPECTION

PM History

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Equipment	Equipment	Assigned	Work Order	Complete
Tag Number	Description	WO	Description	Date
AG160DNST35A	18" LAUNCHING BARREL @	ARGO 168334	SCRAPER TRAP INSPECTION - MA	06/30/05
	Work Order Comments: In	spected Launching BBL.SDS		
AG160DNST35A	18" LAUNCHING BARREL @	ARGO 194977	SCRAPER TRAP INSPECTION - MA	10/18/05
	Work Order Comments:	DOT, inspected the scraper trap	. I contacted the control center they reporte	d
	th	ne valves work satisfactorily. I g	reased the valves. SDS	
AG160DNST35A	18" LAUNCHING BARREL @	ARGO 236124	SCRAPER TRAP INSPECTION - MA	04/13/06
	Work Order Comments: O	peratorTyler		
AG160DNST35A	18* LAUNCHING BARREL @	ARGO 285471	SCRAPER TRAP INSPECTION - MA	10/20/06
	Work Order Comments: D	OT INSPECTION		
	c	CTREVOR		
	J <sup>-</sup>	TW		
AG160DNST35A	18" LAUNCHING BARREL @	ARGO 329979	SCRAPER TRAP INSPECTION - MA	04/09/07
	Work Order Comments: B.	ARREL GOOD. GREASED AN	ID INSPECTED OUTLET VALVE, INLET VA	ALVE AND BYPASS VALV
	LI	INE RUNNING		
	C	ONTROLLER DAVE		

VALVÉS AG160 ONV 35 A AND
AG160 ONV 35 C

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Equipment	Equipme	nt	Assigned	Work Order	Complete
Tag Number	Description		wo	Description	Date
AG160DNST63A	18" RECEIVING BBL @ D	ESPLAINES	168335	SCRAPER TRAP INSPECTION - MA	06/30/05
	Work Order Comments:	Inspected receivi	ng BBL.SDS		
AG160DNST63A	18" RECEIVING BBL @ D	ESPLAINES	194978	SCRAPER TRAP INSPECTION - MA	10/18/05
	Work Order Comments:	DOT, inspected t	he scraper trap &	the valves. Contected the control center the	ey
		reported the valv	e work satisfacto	rily. I greased them. SDS	
AG160DNST63A	18" RECEIVING BBL @ D	ESPLAINES	236125	SCRAPER TRAP INSPECTION - MA	04/07/06
	Work Order Comments:	OperatorMarv	in		
AG160DNST63A	18" RECEIVING BBL @ D	ESPLAINES	285472	SCRAPER TRAP INSPECTION - MA	10/26/06
	Work Order Comments:	DOT INSPECTIO	NCCCRAIG		
		JTW			
AG160DNST63A	18" RECEIVING BBL @ D	ESPLAINES	329980	SCRAPER TRAP INSPECTION - MA	04/09/07
	Work Order Comments:	BARREL GOOD.	GREASED AND	INSPECTED OUTLET VALVE, INLET VAL	LVE, AND BYPA
		VALVE.			
		CONTROLLER D	AVE		

AND AG1600NV63A VALVES AG 160 ONV 63 B

ANE NOW PART OF THIS SCRAPER TRAP INSPECTION.

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Page - 1 of 1

Equipment	Equipmer	nt	Assigned	Work Order	Complete
Tag Number	Descriptio	n	wo	Description	Date
AS160HUST78A	LAUNCHING BBL @ AUB	URN	168342	SCRAPER TRAP INSPECTION - MA	06/28/05
AS160HUST78A	LAUNCHING BBL @ AUB	URN	195223	SCRAPER TRAP INSPECTION - MA	10/03/05
AS160HUST78A	LAUNCHING BBL @ AUB	URN	236392	SCRAPER TRAP INSPECTION - MA	04/19/06
	Work Order Comments:	closed, I/s in serv			
AS160HUST78A	LAUNCHING BBL @ AUBI	URN	286133	SCRAPER TRAP INSPECTION - MA	10/02/06
	Work Order Comments:	INSPECTED LAUN	ICHER BBL A	ND CLOSURE, LAUNCHER OUTLET, LEA	K SEARCH VALVE AND
		KICKER VALVE.			
		CC DAVE/TYLE	₹		
		JTW			
AS160HUST78A	LAUNCHING BBL @ AUBI	URN	330400	SCRAPER TRAP INSPECTION - MA	04/16/07
	Work Order Comments:	BARREL IS GOOD	. GREASED A	AND OPERATED OUTLER VALVE, LEAK SI	EARCH VALVE, AND
		KICKER VALVE.			
		CONTROLLER: DA	AVE		

VALVES AGIGOHUV 78A AND A6160HUV78B

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EXHIBIT B-1

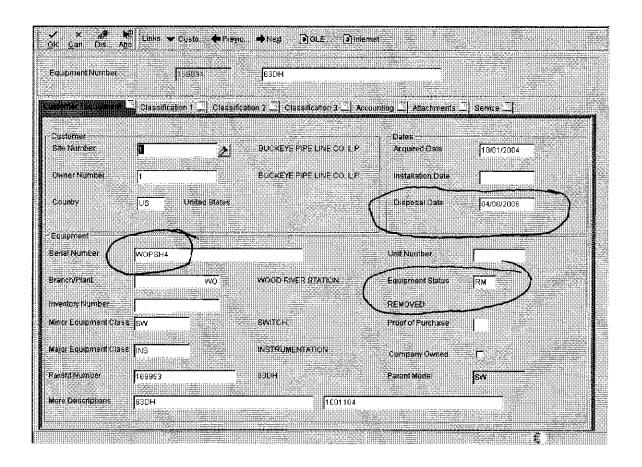


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EXHIBIT C-1

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EXHIBIT C-2

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EXHIBIT C-3